

BUSINESS REPLY MAIL COST MODEL

I. PREFACE

A. Purpose and Content

USPS-FY16-21 documents the worksharing-related savings estimate for QBRM letters and cards and the Business Reply Mail fee cost estimates.

B. Predecessor Document

Docket No. ACR2015, USPS-FY15-21.

C. Corresponding Non-Public or Public Document

There is no non-public document that corresponds to USPS-FY16-21.

D. Methodology

Prior year's manual letter productivities (USPS-FY15-23, Docket No. ACR2015) had to be used for preparation of USPS-FY16-21 models. See preface to USPS-FY16-23 for details.

The Business Reply Mail cost model relies on the same cost methodology that was presented by the Postal Service in Docket No. ACR2015, USPS-FY15-21.

E. Inputs / Outputs

Input Source

Input Description

USPS-FY16-7

Volume variability factors
Premium pay factors
Wage rates
Overhead factors

USPS-FY16-10

CRA proportional adjustment factor

USPS-FY16-23

MODS productivity data

USPS-FY16-24

City carrier piggyback factor

USPS-FY16-25

Operations-specific piggyback factors
RCR cost data

2016 RBCS data	RCR images processed ISS / RCR finalization rate
2016 WebEOR data	Outgoing primary acceptance rate
2016 RPW data	Non-letter size BRM shape percentage
2011 PostalOne!	Pieces per account data
2011 Field Study	Productivity data
Docket No. RM2011-5, Order No. 741	RBCS leakage rate
Docket No. ACR2008, USPS-FY08-10	DIOSS Accept Rate OSS Reject Rates
Docket No. RM2006-1, USPS-LR-34	BRM Practices Study
Docket No. RM2000-1, USPS-T-29	Productivity Data

The Business Reply Mail cost estimate outputs are relied upon to develop the discounts and passthroughs values contained in USPS-FY16-3.